

**DRAFT**

**WATER/JPT/EYC/jlj**

**CA-29  
Agenda Item #5445**

**PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

**WATER DIVISION  
Water Branch**

**RESOLUTION W-4591  
April 13, 2006**

**R E S O L U T I O N**

**(RES. W- 4591), YOSEMITE SPRING PARK UTILITY COMPANY  
(Yosemite). ORDER AUTHORIZING THE IMPLEMENTATION  
OF A PAYMENT PLAN FOR THE COLLECTION OF FACILITIES  
FEES AS DIRECTED BY RES. NO. W-4570.**

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**SUMMARY**

This resolution approves Yosemite's request to implement a payment plan to collect the facilities fees as directed by Res. No. W-4570 in accordance with Tariff Schedule F, Facilities Fees, authorized in Res. No. W-4463.

**BACKGROUND**

By Draft Advice Letter received on January 25, 2006, Yosemite requests authority under Section VI of General Order 96-A and Section 454 of the Public Utilities Code to collect facilities fees according to a schedule of payment. The utility is making this request to mitigate the financial hardship on the customers who are directed to pay the facilities fee per Res. No. W-4570. The fees would be used to establish a fund to install plant and to fund the new facilities. Yosemite serves 1,590 customers in the unincorporated community of Yosemite Lakes Park, approximately five miles south of Coarsegold, Madera County.

**PROTESTS**

No protests were received by the Commission.

## **DISCUSSION**

Res. No. W-4570, dated November 18, 2005, directed Yosemite to collect facilities fees from customers who applied for water service on or after April 6, 2004 in accordance with Tariff Schedule F, Facilities Fees, authorized by Res. No.

W-4463. Res. No. W-4463, dated March 16, 2004, granted Yosemite authority to incorporate a facilities fee into its filed tariff for the construction of water mains, wells, and other infrastructure replacements and improvements.

This resolution addresses a payment plan for customers with  $\frac{3}{4}$ -inch meters. The customer with a  $\frac{3}{4}$ -inch meter has the following options from the four schedules listed below:

1. A single, lump-sum payment of \$4,986.00, due and payable by April 18, 2006.
2. Monthly payments of \$425.50 for twelve months, beginning April 18, 2006 and ending March 18, 2007. Total payments for this option are \$5,106.00, which includes a \$10.00 per month service charge (\$120.00).
3. Monthly payments of \$217.75 for twenty-four months, beginning April 18, 2006 and ending March 18, 2008. Total payments for this option are \$5,226.00, which includes a \$10.00 per month service charge (\$240.00).
4. Monthly payments of \$148.50 for thirty-six months, beginning April 18, 2006 and ending March 18, 2009. Total payments for this option are \$5,346.00, which includes a \$10.00 per month service charge (\$360.00).

Service charges at a rate of approximately 2.4% per year are added to the monthly payments in order to offset the additional administrative costs associated with payment plans and to encourage early payment. As an additional incentive for the customer to pay in a timely fashion, Yosemite also requests that the CPUC allow the refund of all service charges paid by the customer if that customer has fully paid the facilities fee within the first year (ending March 31, 2007).

The company requested the effective date of April 1, 2006; however, the Commission meeting date is April 13, 2006. Therefore, the effective beginning date of the payment schedule will be five days after the date of filing.

All regulated water utilities must treat the facilities fees as Contributions-in-Aid-of-Construction and follow the requirements as specified in the Internal Revenue Code Section 118 to qualify as such. Accordingly, these amounts will be a long term reduction in rate base for rate-making purposes.

To provide accountability of the funds, any utility filing to implement the authorized facilities fees is required to place the funds in an interest-bearing account and to show the balances in its annual report to the Commission. Yosemite shall account for the facilities fees as specified by the Commission's prescribed Uniform System of Accounts. In addition, Yosemite shall maintain detailed supporting records to identify the amount received, plant expenditure, interest income, and the remaining fund balance.

### **FINDINGS**

1. The Commission finds, after investigation by the Water Branch, that the request of Yosemite Spring Park Utility Company, Inc. to implement a payment plan to collect the facilities fees is approved.
2. This is an uncontested matter subject to the public notice comment exclusion provided in the PU Code Section 311(g) (3).

### **THEREFORE IT IS ORDERED THAT:**

1. Authority is granted under Public Utilities Code Section 454 for Yosemite Spring Park Utility Company, Inc. to file an advice letter incorporating Schedule No. F, Facilities Fees, as listed in Appendix B. The effective date of the rate schedule shall become effective five days after the date of its filing.
2. Yosemite Spring Park Utility Company, Inc. is authorized to implement a payment plan for customers who are directed to pay the Facilities Fees.
3. Yosemite Spring Park Utility Company, Inc. after billing the facilities fees shall deposit within five days of receipt any such fees collected in a separate bank account paying interest. Yosemite Spring Park Utility Company shall provide a confirmation of the bank account to the Director of the Water Division after making such deposit to verify the amount deposited as authorized in Special Condition 4 in Schedule F.
4. Yosemite Spring Park Utility Company, Inc. shall treat the facilities fees as

Contributions-in-Aid-of-Construction and follow the requirements as specified in the Internal Revenue Code Section 118 to qualify as such as authorized in Special Condition 5 in Schedule F.

5. Yosemite Spring Park Utility Company, Inc. when collecting facilities fees shall account for the facilities fees as Contributions-in-Aid-of-Construction in accordance with the Commission's prescribed Uniform System of Accounts. In addition, the utility shall report in its annual report to the Commission the balance of facilities fees collected, including interest as authorized in Special Condition 6 in Schedule F.
6. The plant constructed with facilities fees shall be removed from rate base for rate-making purposes as authorized in Special Condition 7 in Schedule F.
7. This resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed, and adopted at a conference of the Public Utilities Commission of the State of California held on April 13, 2006; the following Commissioners voting favorably thereon:

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STEVE LARSON  
Executive Director

**APPENDIX B**  
**Sheet 1**  
**Yosemite Spring Park Utility Company, Inc.**

**Schedule No. F**

**FACILITIES FEES**

**APPLICABILITY**

Applicable to all customers applying for services from the Utility in the territory served for premises not previously connected to its distribution mains, for additional service connections to existing premises, and for increases in size of service connections to existing premises.

**TERRITORY**

Yosemite Lake Subdivision, and vicinity, Madera County.

**RATES**

**Initial Fee for each Service Connection:**

For	¾-inch meter.....	\$ 4,986
For	1-inch meter.....	8,310
For	1-1/2-inch meter.....	16,620
For	2-inch meter.....	26,590

**SPECIAL CONDITIONS**

1. A payment schedule is available and consists of the following options: (N)
    - a) A single, lump sum payment of \$4,986.00, due and payable by April 18, 2006. |
    - b) Monthly payments of \$425.50 for twelve months, beginning April 18, 2006 and ending March 18, 2007. Total payments for this option are \$5,106.00, which includes a \$10.00 per month service charge (\$120.00). |
    - c) Monthly payments of \$217.75 for twenty-four months, beginning April 18, 2006 and ending March 18, 2008. Total payments for this option are \$5,226.00, which includes a \$10.00 per month service charge (\$240.00). |
    - d) Monthly payments of \$148.50 for thirty-six months, beginning April 18, 2006 and ending March 18, 2009. Total payments for this option are \$5,346.00, which includes a \$10.00 per month service charge (\$360.00). |
- (N)

**APPENDIX B**  
**Sheet 2**  
**Yosemite Spring Park Utility Company, Inc.**

**Schedule No. F**  
**(continued)**

**FACILITIES FEES**

**SPECIAL CONDITIONS (continued)**

2. Facilities fees are payable in addition to and do not limit any charges for extensions of mains that may be applicable under Rule 15, Main Extensions. (L)
3. Payments made under this schedule **are not** subject to the reimbursement fee set forth in Schedule UF.
4. Facilities fees authorized herein shall be deposited within five days of receipt in a separate bank account paying interest. A direct confirmation from the bank shall be mailed to the Director of the Water Division after making such deposit to verify the amount deposited.
5. Facilities fees shall be treated as Contributions-in-Aid-of--Construction and follow the requirements as specified in the Internal Revenue Code Section 118 to qualify as such.
6. Facilities fees shall be accounted for as Contributions-in-Aid-of-Construction in accordance with the Commission's prescribed Uniform System of Accounts. In addition the balance of facilities fees collected, including interest shall be reported in utility's annual report to the Commission.
7. The plant constructed with facilities fees shall be removed from rate for rate-making purposes. (L)

